

PRESS RELEASE

RE&S' 3Q FY2018 revenue up 2.0% to S\$35.3 million

- Top-line increased as the Quick-Service Restaurants, Convenience and Others segment grew 10.8%
- In-line with the Group's business expansion plans, employee benefits expense and depreciation expense rose 4.0% and 9.5% respectively
- Other expenses increased mainly due to post-listing expenses and professional fees incurred
- Group to continue focusing on new opening of established concepts for the remaining fiscal year

Singapore, 7 May 2018 – RE&S Holdings Limited (“RE&S” or the “Company” and, together with its subsidiaries, the “Group”), a Japanese multi-brand food and beverage (“F&B”) operator, announced today its financial results for the three months (“3Q FY2018”) and nine months (“9M FY2018”) ended 31 March 2018.

Financial Highlights

S\$'000	3Q FY2018	3Q FY2017	Change (%)	9M FY2018	9M FY2017	Change (%)
Revenue	35,290	34,593	2.0	106,964	105,991	0.9
Raw materials and consumables used	(9,685)	(9,197)	5.3	(29,654)	(29,723)	(0.2)
Change in inventories	(69)	(364)	(81.0)	328	(17)	N.M
Other operating income	533	655	(18.6)	806	1,141	(29.4)
Employee benefits expense	(12,240)	(11,765)	4.0	(36,325)	(35,791)	1.5
Depreciation expense	(2,153)	(1,967)	9.5	(6,369)	(5,840)	9.1
Other expenses	(2,925)	(2,366)	23.6	(9,821)	(8,205)	19.7
Profit, net of tax	859	1,923	(55.3)	2,632	4,638	(43.3)

For the period under review, the Group recorded higher revenue of 2.0% year-on-year (“yoy”) to S\$35.3 million in 3Q FY2018. This increase of S\$0.7 million was mainly due to growth in the Quick-Service Restaurants, Convenience and Others segment, which contributed S\$9.8 million to the Group's total revenue.

Raw materials and consumables used (taking into account the changes in closing inventories) as a percentage of revenue remained constant at 27.6% for 3Q FY2018 and the prior corresponding period (“3Q FY2017”).

Other operating income declined by 18.6% yoy to S\$0.5 million in 3Q FY2018, mainly due to a decrease in government grants.

In-line with the business expansion efforts conducted by the Group, employee benefits expense increased, by 4.0% from S\$11.8 million in 3Q FY2017 to S\$12.2 million in 3Q FY2018. The Group's depreciation expense also increased, by 9.5% yoy to S\$2.2 million in 3QFY2017 mainly due to new outlets.

The increase in other expenses for 3Q FY2018 was a result of ongoing repair and maintenance work carried out at the Group's corporate building and outlet stores, as well as post-listing costs and professional fees incurred.

Accordingly, the Group reported net profit after tax of S\$0.9 million for 3Q FY2018. For 9M FY2018, the Group reported net profit after tax of S\$2.6 million, after taking into account one-off IPO expenses of S\$1.1 million.

For 3Q FY2018, the Group continued to generate healthy cash flow from operations of S\$3.5 million. As at 31 March 2018, the Group's cash and cash equivalents stands at S\$10.4 million, bolstered by proceeds from the IPO. This puts the Group in a comfortable position to capitalise on business expansion opportunities as they arise and manage the day-to-day working capital needs of the business.

On the Group's performance for the quarter, Mr. John Yek (葉鴻烈), Executive Director and Chief Executive Officer of RE&S Holdings Limited commented, **"The Group continues to face headwinds from the combined challenges of rising competition and tightening labour market. Revenue is healthy despite lower than expected results, due to initial gestation for new concepts and new outlets which impacted near term profitability. Going forward, we will continue to focus on improving these outlets, as well as selective new outlet openings based on our established concepts. We aim to deliver a better performance for the remaining fiscal year and ultimately derive greater value for our shareholders."**

###

About RE&S Holdings Limited

Established in 1988, RE&S is a concept owner and operator of F&B outlets in Singapore and Malaysia that provides customers with authentic Japanese cuisine and dining experience. Since its incorporation, RE&S has grown from a single Fiesta restaurant into a network comprising its Corporate Headquarters which houses a Central Kitchen in Tai Seng, a procurement office in Japan, and more than 70 F&B outlets. Its portfolio comprises 20 distinct brands which cover the full spectrum of the Japanese dining segment, ranging from fine dining (Kuriya Dining) to family-style (Ichiban Boshi) and convenience (Kuriya Japanese Market). Supported by its ISO 22000:2005-certified Central Kitchen, RE&S is committed to maintaining a high standard of food consistency and quality for its customers.

For more information, please visit <http://www.res.com.sg>

ISSUED ON BEHALF OF	: RE&S Holdings Limited
BY	: Financial PR Pte Ltd 4 Robinson Road #04-01 The House of Eden Singapore 048543
CONTACT	: Mr Ngo Yit Sung / Mr Benjamin Tho
OFFICE	: (65) 6438 2990
EMAIL	: yitsung@financialpr.com.sg / benjamin@financialpr.com.sg

*This press release (“**Press Release**”) has been prepared by RE&S Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, DBS Bank Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this Press Release.*

This Press Release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Press Release, including the correctness of any of the statements or opinions made or reports contained in this Press Release.

The contact person for the Sponsor is Heng Mui Mui, Managing Director, who can be contacted at 12 Marina Boulevard Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone: +65 6878 8888.